

NEBRASKA BOARD OF PUBLIC ACCOUNTANCY
1526 K Street, Suite 4D, Lincoln, Nebraska

Minutes
March 18, 2015

Draft Minutes. Minutes are not approved until the next Board meeting.

Wednesday, March 18, 2015

1. General

- A. Call to Order and Roll Call.** The Nebraska Board of Public Accountancy (Board) was called to order at 8:33 a.m. on Wednesday, March 18, 2015 with Vice-Chair Lori Druse presiding. The roll was called with the following members present: Lori Druse, Jan Glenn, Michele Stromp, Marcy Luth, Thomas Purcell and Glenn Waltemath. Members Bernie Gutschewski and Michael McClure were absent. Also present were Executive Director Dan Sweetwood and Staff members Heather Myers and Jo Lowe. The meeting was held at the Board Office, 1526 K Street, in Suite 4D, Lincoln, Nebraska. Vice Chair Druse noted the location of the notebook containing the Public Open Meeting Act, and asked if anyone present needed an agenda or had any questions regarding the law. Visitors present were Dan Vodvarka and Trudy Meyer, Nebraska Society of CPA's.
- B. Approval of Meeting Agenda for Wednesday, March 18, 2015.** Moved by Purcell, seconded by Glenn, to approve the agenda for the Wednesday, March 18, 2015 meeting revising the agenda to show Vice Chair Druse called the meeting to order and read the roll. On a roll call vote, Members Druse, Glenn, Stromp, Waltemath, Luth, and Purcell voted aye. Members Gutschewski and McClure were absent. Motion #1 carried.
- C. Approval of Minutes from January 7, 2015.** Moved by Purcell, seconded by Luth, to approve the Board minutes from the January 7, 2015 meeting. On a roll call vote, Members Druse, Glenn, Stromp, Waltemath, Luth, and Purcell voted aye. Members Gutschewski and McClure were absent. Motion #2 carried.

2. Public Comment Period (15 minute period)

Dan Vodarka, Nebraska Society President, was present to update the Board about Society activities. He provided an overview of LB 159's movement through the Nebraska Legislature concluding with Governor Pete Ricketts signing the Bill. LB 159 will become law in early September 2015. He indicated the Society is prepared to assist in the development of the regulations to compliment the new law. He also indicated the Nebraska Society's CPE catalog has been developed for 2015 and overseen by Vice President Trudy Meyers and acknowledged Board staff for their assistance.

8. Report of the Legislative Committee

- A. Report on Legislation:** Vice Chair Druse gave the report and referenced an email from ED Sweetwood to the Committee provided in the Board packet providing a synopsis of the next steps with the successful passage of LB 159. It is anticipated the regulations to compliment LB 159 will continue to be developed with the assistance of the QEP Task Force and others including the Board Attorney and AICPA Peer Review Team. The next draft should be available for Board review at the May meetings. It is anticipated other regulations needing review and possible change identified by other

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Committees will be prepared for possible change at a rules hearing held later this year along with the QEP regulations.

- B. Report on To Do List.** There was no report at this time.

3. Consent Agenda

- A. Published Notice of Meeting.** Moved by Glenn, seconded by Stromp, to approve the consent agenda. On a roll call vote, Members Druse, Glenn, Stromp, Waltemath, Luth, and Purcell voted aye. Members Gutschewski and McClure were absent. Motion #3 carried.
- B. Review of Disbursements for January and February 2015.** Board Secretary Glenn reported that following the discussion with State Accounting and based on the new law last year requiring review and approval through DAS Accounting, the duplicative review of the disbursements was not necessary. The revised Internal Control Procedures were provided to the Board.
- C. Review of Board Budget Status Report.** The current budget status report was provided and reviewed by ED Sweetwood.
- D. Office Licensing Report.** The Office Licensing Report was provided to the Board.

4. Report of the Chair

- A. Report of the Chair.** Vice Chair Druse reported.
- B. Executive Committee Report.** Executive Committee minutes were provided within the Board packet. Vice Chair Druse highlighted areas including updates on the budget, LB 159, an increase in the Board Attorney fees that were deemed reasonable and future staff raises as determined by DAS and the state employee union.
- C. NASBA Western Regional Conference, Coronado, CA, June 17-19, 2015.** After discussion and importance for members to attend, moved by Purcell, seconded by Stromp, to allow Board members and ED Sweetwood to attend the NASBA Western Regional Conference, Coronado, CA, June 17-19, 2015. On a roll call vote, Members Druse, Glenn, Stromp, Waltemath, Luth, and Purcell voted aye. Members Gutschewski and McClure were absent. Motion #4 carried.
- D. Review of Board Calendar.** Dates revised: May Board meeting could be a two day meeting on May 13 and 14.
- E. Report on To Do List.** There was no report at this time.

Closed Session

Closed Session. Moved by Stromp, seconded by Glenn, that the Board go into closed session at 10:02 a.m., on Wednesday, March 18, 2015, for the purpose of enforcement matters. On a roll call vote, Members Druse, Glenn, Stromp, Waltemath, Luth, and Purcell voted aye. Members Gutschewski and McClure were absent. Motion #5 carried.

Return to Open Session. Moved by Glenn, seconded by Luth, that the Board return to open session at 10:34 a.m., on Wednesday, March 18, 2015. On a roll call vote, Members

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Druse, Glenn, Stromp, Waltemath, Luth, and Purcell voted aye. Members Gutschewski and McClure were absent. Motion #6 carried.

5. Report of Enforcement of Professional Conduct Committee

- A. Open Case/LMCO Update.** Committee Chair Stromp reviewed the open case file.
- B. Ratification of LMCO's.** There were no ratifications at this time.
- C. Recommended Cases to Close.** Motion out of Committee to close cases:
#13-10 The case involved a missed deadline by a CPA firm involving a large estate whereby a civil case was filed against the firm. Some confusion was identified between partners with undertaking the engagement. Based on the settlement of the case and review by the Board, the firm completed an overall of their internal communication systems and other controls to assist in preventing missed deadlines and miscommunication within the firm. The Committee was satisfied with the firm's response.
On a roll call vote, On a roll call vote, Members Druse, Glenn, Stromp, Waltemath, Luth, and Purcell voted aye. Members Gutschewski and McClure were absent. Motion #7 carried.
- D. Recommended to File Petition.** There was no report at this time.
- E. Report on To Do List.** There was no report at this time.

6. Report of Continuing Professional Education (CPE) Committee

- A. Report of the Committee.** Committee Chair Purcell gave the report. The Committee reviewed a total of 76 courses with 76 recommended for Board approval and none denied. Motion out of Committee to recommend Board approval of 76 courses. On a roll call vote, Members Druse, Glenn, Stromp, Luth, Waltemath and Purcell voted aye. Members Gutschewski and McClure were absent. Motion #8 carried. The Committee reviewed an application for a medical waiver and requested staff to follow up with the applicant to clarify the request. Committee agreed to an extension. No permit will be issued until CPE is completed. Motion out of Committee to recommend the Board grant an extension for W0002 of 80 hours to be completed by June 30, 2015. On a roll call vote, Members Druse, Glenn, Stromp, Luth, Waltemath and Purcell voted aye. Members Gutschewski and McClure were absent. Motion #9 carried. Motion out of Committee to forward 12 reinstatements to the Licensing Committee. On a roll call vote, Members Druse, Glenn, Stromp, Waltemath, Luth, and Purcell voted aye. Members Gutschewski and McClure were absent. Motion #10 carried.
- B. Ratification of CPE Sponsor.** Motion out of Committee to recommend Board approval of Allied Business Group, LLC as a CPE sponsor. On a roll call vote, Members Druse, Glenn, Stromp, Waltemath, Luth, and Purcell voted aye. Members Gutschewski and McClure were absent. Motion #11 carried.
- C. CPE Audit.** Staff discovered that a CPA used CPE hours that were required to fulfill a QEP requirement. It is stated in the QEP letter that the required CPE hours are in addition to the 80 hours of CPE needed to renew active permit to practice. Removing the hours that are required for QEP made the CPA short 2.5 hours of CPE. Motion out of Committee to recommend Board approval to waive the extension policy and give him until June 1, 2015 to complete 2.5 hours of CPE.

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On a roll call vote, Members Druse, Glenn, Stromp, Waltemath, Luth, and Purcell voted aye. Members Gutschewski and McClure were absent. Motion #12 carried.

- D. Report on To Do list.** The To Dos are listed in the Committee Report.

7. Report of Education & Exam (E&E) Committee

- A. Report of the Committee.** Chair Glenn gave the report. The Committee reviewed the Successful Exam candidate survey for Q1-2015. The Committee reviewed a request for exam window extension. Motion out of Committee to recommend the Board allow the extension of one month to an Exam candidate who had a testing site problem verified by CPAES Candidate Care. On a roll call vote, Members Druse, Glenn, Stromp, Waltemath, Luth and Purcell voted aye. Members Gutschewski and McClure were absent. Motion #13 carried. Congratulations to Creighton University and Member Purcell on the decision to establish a CPT Chapter. Chair Glenn participated on a conference call to NASBA related to the Practice Analysis Update. The team is looking at the best way to accomplish testing of problem solving skills. The committee is analyzing information. Purcell reviewed his process of creating the Nebraska Ethics Exam. He recommended that the draft ethics exam be reviewed by the Board Members. The Exam Performance Summary 2014 report was reviewed. Nebraska did very well with a first time pass rate of 61% ranking 10th nationally. Glenn noted there were lower numbers of exam takers and sections which occurred across many state and is a concern the NASBA Board is researching. Staff presented the exam process at Wayne State College on March 4, 2015 to a group of 15 students.
- B. Approval of CPA Exam Scores.** No score report from NASBA was available at this time.
- C. Report on To Do List.** There was no report at this time.

9. Report of Quality Enhancement Program (QEP) Committee

- A. Report of the Committee.** There was no report at this time.
- B. Report on To Do List.** There was no report at this time.

10. Report of the Licensing Committee

- A. Report of the Committee.** Committee Chair Druse gave the report.
- B. Licensing Issues.** The Committee discussed four Business, Governmental, Academia (BGA) experience applications. Motion out of Committee to recommend Board approval of the permit application for Matthew Wright. On a roll call vote, Members Druse, Glenn, Stromp, Waltemath, Luth and Purcell voted aye. Members Gutschewski and McClure were absent. Motion #14 carried. Motion out of Committee to recommend Board approval of the permit application for Shelby McGuire. On a roll call vote, Members Druse, Glenn, Stromp, Waltemath, Luth and Purcell voted aye. Members Gutschewski and McClure were absent. Motion #15 carried. Motion out of Committee to recommend Board approval of the permit application for Debra Havranek. On a roll call vote, Members Druse, Glenn, Stromp, Waltemath, Luth and

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Purcell voted aye. Members Gutschewski and McClure were absent. Motion #16 carried. The Board reviewed another permit application with the company internal auditor verifying the experience of a member of the same company financial reporting committee. The Board requested a letter of explanation.

C. Ratification of initial permits to practice issued, certificates issued, firm permits.

Motion out of Committee to recommend Board approval of initial permits to practice issued, certificates issued, firm permits issued from December 8, 2014 to March 17, 2015. On a roll call vote, Members Druse, Glenn, Stromp, Waltemath, Luth, and Purcell voted aye. Members Gutschewski and McClure were absent. Motion #17 carried.

D. Reinstatements to Active Permit, Inactive Retired Affidavits, Surrendered Certificates.

Motion out of Committee to recommend Board approval of the Reinstatements, Inactive Retired Affidavits, and Surrendered Certificates received between December 8, 2014 to March 17, 2015:

Reinstatements:

Carolina Apicella	Omaha NE
Robert Worshek	Fairfield CT
Janis Pedersen	Papillion NE
Jessie Combs	Omaha NE
Kurt Hughes	Flower Mound TX
Shannon Boes	Valentine NE
C. Maggie Clarke	Kingwood TX
Joseph Cox	Omaha NE
Jennifer Callahan	Shawnee KS
Randall Korth	Omaha NE
Michael Obbink	Bellevue NE
Daniel Bybee	Murfreesboro, TN
Judy Krasomil	Lincoln, NE
Donald Gray	Tulsa, OK
Jerry Colvert	Kearney, NE
Michael Shrier	Omaha, NE
Bruce Snyder	Lincoln, NE
Roger Plummer	Council Bluffs, IA
James Osborn	Holdredge, NE
Joan DeHaven	Frederick, CO
Roger Schmidt	Blue Springs, MO
Thomas Shamburg	Estes Park, CO
Michael Knott	Omaha, NE
Michael Shrier	Omaha, NE
Nancy Maxson	Kearney, NE
Myrna McGrath	Avoca, IA
David Francis	Oro Valley, AZ
Barbara Counihan	Omaha, NE
Larry Kluck	Lincoln, NE
Allen Davison	Overland Park, KS

Inactive - Retired affidavits:

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Surrendered Certificates:	Dale Blauwet	Sioux Falls, SD
	Brian Hoppes	Fremont, NE
	Ralph Messenger	East Helena, MT
	Jeffery Stark	Storm Lake, IA
	Jeremy Uhl	Sioux City, IA
	Alan Siemek	Omaha, NE
	Karl Randecker	Cozad, NE
	Cynthia Benson	Aurora, NE

On a roll call vote, Members Druse, Glenn, Stromp, Waltemath, Luth, and Purcell voted aye. Members Gutschewski and McClure were absent. Motion #18 carried.

D. Report on To Do List. There was no report at this time.

11. Report of Executive Director

- A. Budget Update.** ED Sweetwood provided budget documents including DAS/ Budget recommendations and those by the Appropriations Committee. ED Sweetwood indicated he was pleased the Appropriations Committee agreed overall with the Boards budget submission. He appeared before the Appropriations Committee on February 24, 2015 and highlighted several areas over the years the Board has strived to become more efficient and effective including the ability to reduce licensing fees. The Budget Bill will go to the full legislature later in the session for consideration. The new budget commences on July 1, 2015.
- B. Staffing & General Office Issues.** ED Sweetwood and Staff Lowe will leave next week for the NASBA ED/Staff Conference in Tampa, FL.
- C. Report on To Do List.** There was no report at this time.

12. New Business

- A. NASBA Items:**
 - 1.) **NASBA:** Secretary Glenn, as the Central Regional Director, provided an overview of recent NASBA issues from the Board of Directors Meetings including a possible new pathway development for international reciprocity, other forms of education delivery, inactive/ retired status issues, and the continued development of the Uniform CPA Examination. She also indicated NASBA Vice Chair Donnie Burkett released the NASBA Committee sign up portal and reminded members must sign up again even if they are current members of NASBA Committees. It was noted Vice Chair Druse and ED Sweetwood are members of the UAA Committee while Member Stromp is a member of the Strategic Planning Task Force and Member McClure is a member of the CAC Committee.
 - 2.) **NASBA Focus Questions.** ED Sweetwood will complete the Focus Questions and requested assistance if a Board member would like to comment on any of the questions.
 - 3.) **NASBA FYI articles.** Articles were provided to the Board.
- B. Other Miscellaneous Items: FYI articles.** Articles were provided to the Board.

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13. Adjournment

Moved by Luth, seconded by Glenn to adjourn the meeting at 12:59 p.m. on March 18, 2015. On a roll call vote, Members Druse, Glenn, Stromp, Waltemath, Luth and Purcell voted aye. Members Gutschewski and McClure were absent. Motion #19 carried.

Respectfully submitted by,

Board Secretary
Jan Glenn